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ABSTRACT

Financial difficulties in colleges and universities are discussed, with a focus on a paper by Frank M. Bowen and Lyman A. Glenny, who suggest that college administrators are facing up to their responsibilities regarding fiscal and other constraints. They offer suggestions to improve policies and procedures for institutions, for governing and coordinating agencies, and for state government. The human dimension in the politics of retrenchment and the potential role of trustees and regents in dealing with fiscal problems are addressed. Another paper that considers the role state higher education agencies and government can play in difficult financial times is "Trying To Do Better With Less" by Joseph C. Burke. Suggestions regarding institutional planning are that colleges and universities should: redefine their mission to be more consistent with strengths of the faculty, available resources, and student needs; reorganize their administrative structure to readjust from the 1960s and 1970s; plan for realistic enrollment expectations and quality of students; reallocate personnel; and streamline the governance process. In turn, the state should encourage institutions in these efforts, stimulate campus leadership in planning, and encourage faculty development programs. (SW)

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INSTITUTIONAL REACTIONS UNDER CONDITIONS OF FISCAL STRESS:
(COMMENTS ON "UNCERTAINTY IN PUBLIC HIGHER EDUCATION:
RESPONSES TO STRESS AT TEN CALIFORNIA COLLEGES AND UNIVERSITIES")

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INSTITUTIONAL REACTIONS UNDER CONDITIONS OF FISCAL STRESS

(Comments on "Uncertainty in Public Higher Education: Responses to Stress at Ten California Colleges and Universities")

The Glenny-Bowen paper does us all a service. French poet Paul Valéry once observed that "the trouble with our times is that the future is not what it used to be." Aside from reinforcing this observation, Lyman Glenny and his colleague, Frank Bowen, do several good things:

1. They confirm that many institutional administrators are facing up to their responsibilities to deal now with the realities of fiscal and other constraints. We should not fall victim to the faulty assumption that most college and university leaders are somehow like ostriches when hard times come. They are trying even though their efforts thus far may be too short-term.

2. They offer some important suggestions to improve policies and procedures for institutions, for coordinating and governing agencies, and for state government. Although the context for the Glenny-Bowen study is the state of California, clearly, what is good for California is good for the rest of the country (at least in this one instance).

3. They really help to bring home the existence of what I call the "human dimension" in the politics of retrenchment: the problems of "reduction," "reallocation" and "retrenchment" are really the problems of people. In a caring society such as ours, it is inevitable that we will fashion our policies and practices on the basis of what they will do for or to the other human beings for whom we are directly or indirectly responsible. Out of this I have fashioned what I modestly call Ingram's Law: "The closer we are physically and emotionally to the people affected by our policy decisions, the more likely we are to protect them as long as we can -- even against our better and longer-term judgment." Of course, the converse of Ingram's Law is equally true -- which may help to explain the public relations problems that statewide boards and other state agencies sometimes have because of their relative distance from faculty members, students, administrators and institutional trustees.

   The Glenny-Bowen paper gives example after example of how our concern for people often takes precedence over the longer-term concerns for institutional health and welfare. We rely heavily on faculty attrition (which occurs randomly and often too slowly) and we tolerate staffing imbalances at the peril of program quality (and the best students of our students). We defer maintenance and cut back on

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*Frank M. Bowen and Lyman A. Glenny, "Uncertainty in Public Higher Education: Responses to Stress at Ten California Colleges and Universities" (Sacramento, California: California Postsecondary Education Commission, Winter 1979).

equipment purchases, among other lines, to protect faculty positions. (Maintenance deferred, although extremely difficult to estimate nationally, is surely in the billions of dollars in both the private and public sectors -- a problem that will probably be much higher on state and federal policy agendas within a few more years.) In the name of preserving institutional flexibility we reduce and eliminate temporary or part-time positions to protect permanent ones, resulting paradoxically in a further decline in flexibility, and so on.

4. The two authors inadvertently help to raise some intriguing questions about the role of trustees and regents in determining responses to stress in view of the fact that within the ten institutions they studied...no such role apparently existed. Now this is interesting and instructive and I hope we can ask for Lyman Glenny's reactions later.

   There are, of course, at least two possibilities to explain the apparent absence of a significant, or even insignificant, governing board role in the study. First, indeed, it could be that the trustees of the five two-year districts, the three state universities, and the two campuses of the University of California, were at least consulted by the institutional administrators, but Glenny and Bowen didn't trace the ultimate responses back to some kind of overall board policy. That is, it may be that the boards had in fact some voice in determining the general direction of subsequent actions by their administrations.

   Second, there exists the possibility that the trustees of the three segments of California public higher education had nothing to say about how the institutions should respond to the stress at the time. Now isn't this an interesting possibility, which, I'm sure we agree before we hear from Lyman, is most likely the case? If the latter is indeed the case, I would like to offer it as supporting evidence for yet another law that shall go nameless:

   > College and university trustees, at all levels, are seen by administrators and faculties as individuals who should be kept as far as possible from the rigors of reduction, reallocation and retrenchment decisions because: (1) they would otherwise be meddling in administration; or (2) they do not understand academic programs and faculty personnel; or(3) they would unnecessarily delay good decisions by requiring more data and asking too many questions, or (4) all of the above.

   Query: What role should college and university trustees and regents assume as we face the inevitable fiscal and enrollment crunch in the current decade? And, how can we help chief executives to realize that maybe, just maybe, their boards -- whether local or state -- can help them? Possibilities of this help could occur through boards by making even better decisions; by taking more of the responsibility for unpleasant decisions off their shoulders; by supporting them when the fur flies on campus, rather than deserting them as has happened too many times to the lonely office of the presidency.

I commend the Glenny-Bowen report to you for careful reading. Another helpful reading is by Kenneth P. Mortimer and Michael L. Tierney, The Three "R's" of the Eighties: Reduction, Reallocation and Retrenchment (AAHE-ERIC/Higher Education Research Report No. 4, 1979). Like the study we are discussing, Mortimer and Tierney

give specific examples of institutional responses to hard times and raise some fundamental issues about how future responses to uncertainty will be made -- especially as tenured faculty increasingly will be affected.

I also recommend that you read a recent address by the president of Plattsburgh State University of New York, College of Arts and Science. Dr. Joseph C. Burke spoke at the Southern Regional Education Board Legislative Work Conference last month about what has been done at his institution of some 5,700 full-time equivalent (FTE) students over the past six years. His paper, "Trying to Do Better With Less," is a fine example of what can be done to assure that an institution does only what it can do best, that it strives to maintain quality and respond to the changing needs of students and society without dependence on growth.

Let me dwell for a few more minutes on President Burke's report and close with some of his suggestions for how state higher education agencies and government might help with the difficult decisions ahead for public institutions. These closely parallel what we have heard from Dr. Glenny.

Although I have not yet the pleasure of meeting President Burke, I like his ideas (some new, and some old) and I think you will too. These are from his new five-year plan to the chancellor of the State University of New York:

- "The Five-Year Plan does not request what the state does not have to give, namely new positions to meet our demonstrated needs. We ask only for the flexibility to solve our own problems by reducing voluntarily our enrollments and by reallocating internally our resources." (Note: Plattsburgh's plan calls for reduction of its average FTE students over five years by 80 FTE a year, from approximately 5,700 in 1980-81 to 5,300 in 1985-86 even though its success at recruiting and retaining students in recent years could maintain current enrollment. It plans to maintain and raise admission standards and to preserve a balance between the liberal arts and professional studies.)

- Another quotation: "The decisions contained in the master plan demanded hard choices from a large committee of administrators, faculty and students. Without the external impetus of a master plan revision mandated by the state, they might never have been accepted by the college community. Such external pressures stimulate creativity."

- "States might fund enrollment growth at mature institutions at three-quarters of their cost per student, provided the institutions supplied the remaining quarter by reallocation of their existing resources. A similar formula might discount proportionally the funding cut for a planned enrollment reduction; on the condition that the institution made up the difference by internal reallocation. Such formulae would encourage campus administrators to make the hard choices necessary for planning enrollments and prescribing reallocation."

President Burke offers five useful points to help guide institutions through a realistic approach to planning. He contends that all colleges and universities should:

1. Redefine their mission to be more consistent with the individual and collective strengths of their faculty, given available resources and the needs of students, region and state. (One major change at Plattsburgh was development of a new and

comprehensive general education program to compensate for what had been a rapid expansion of specialized majors.) We somehow must get away from the vending machine syndrome...without stifling creativity and initiative.

2. Reorganize their administrative structure to readjust from the sixties and seventies when times were better and decentralization was the rule of the day. The proliferation of semi-independent units within our institutions tends to fragment effective operation. (At Plattsburgh a new administrative structure was employed by reducing the faculties from five to two by combining humanities, social science and mathematics into a single faculty of arts and science, and by joining professional and general studies. And the central administration substituted nine positions for state mandated budget reductions in teaching faculty, in part to demonstrate the determination to cut teaching faculty only as a last resort.) Ingram's Law strikes again.

3. Plan for realistic enrollment expectations and quality of students. In addition to developing sensible plans for recruiting new, and retaining current, students, Plattsburgh plans for a reduction in total enrollment by some 400 students over five years as already mentioned. In addition, projections of programmatic choices among majors have been made. To achieve program balance and enrollment mix among majors, Plattsburgh now forecasts enrollment by academic program and by major. These forecasts have led to enrollment limits on accounting, business, nursing and special education. Next year, computer science and mass media will receive similar limits.

   - The institution now collects and reviews annually the average grades given by each department, program and the college as a whole to avoid the temptation to lower standards just to keep students enrolled.

   - Student orientation has been improved by reducing the impersonal, crowded and boring programs of the past through stimulating two-day orientations in the summer for no more than 100 students at a time.

   - Special seminars for freshmen are now provided by volunteer faculty and administration with emphasis on adjustment to college life. (No more than 15 students are enrollment for three credit hours.)

   - Improved advisement is made possible by encouraging all nonteaching professionals, including administrators, to have advisees. Those students who have not yet chosen a major are particularly susceptible to attrition and receive special attention.

4. Reallocate personnel to adjust for inequities in staffing among academic programs as enrollment has moved from traditional fields to popular new programs. (To bring staffing ratios more in line with changing enrollments, Plattsburgh in 1974 required all vacancies due to retirement, reorganization or end-of-term contracts to go into a central pool. Each year between 1974 and 1977, departments presented their cases to retain or add positions from the pool. This process ultimately took 23 faculty lines from departments with low student/faculty ratios.

   This approach is particularly painful to junior faculty who live with contracts, and vacancies often occur in the summer with insufficient time to find and attract qualified candidates in the right fields. To remedy these and other

defects in the system of reallocation at Plattsburgh, especially as vacancies were random and retirements and resignations came almost exclusively in fields with rising enrollments, a new five-year plan was put into effect which forecasted both enrollments (by major and program) and staffing levels.

Reallocation has been made more rational and less painful by spreading over five years the transfer of some 19 faculty positions at Plattsburgh from underenrolled to overenrolled programs. Only 13 of these positions required actual transfer of faculty lines -- the other six used current faculty to teach courses in programs outside their home department. Since staffing levels by discipline were set for five years, growing departments would gain nothing by obtaining more students than those projected in the plan.

5. Streamline the governance process to deal with "budget cuts," "position rifts," "vacancy freezes" and "expenditure ceilings" as they occur often on unreasonably short notice -- sometimes in the summer months when faculty and students are away from campus. Requirements for quick decisions and action run counter to the complex and lengthy consultation with various faculty committees required by traditional institutional policy. (At Plattsburgh, Faculty Bylaws were amended to consolidate several standing committees into a single resources and planning committee which permits confidential discussion of contingency plans to meet future crises.)

Several of these same initiatives were reported by Dr. Glenny and Dr. Bowen in their study. And they are also very close to the same observations offered by Dr. Burke for state authorities under three major themes:

First, state governments and their agencies should encourage realistic institutional planning and internal reallocation of staff and resources by taking "profit out of growth" and cushioning the impact of planned reductions. State funding to institutions which is strictly or primarily related by formula to enrollments rewards inappropriate behavior and promotes the wrong goals. Dr. Burke's approach to a new funding and staffing formula goes like this:

> States might fund enrollment growth at mature institutions at three-quarters of their cost per student, provided the institutions supplied the remaining quarter by reallocation of their existing resources. A similar formula might discount proportionally the funding cut for a planned enrollment reduction, on the condition that the institution made up the difference by internal reallocation. Such formulae would encourage campus administrators to make the hard choices necessary for planning enrollments and prescribing reallocation.

Second, state authorities should adopt policies and procedures to help stimulate rather than discourage campus leadership in planning. Beginning with multiyear budgets, states would allow colleges and universities the time and stability to manage their money, people and plant resources more effectively. There should be more action and less lip service given to reducing the rigid rules and regulations imposed by state capitols and their agencies, according to Dr. Burke. Post-audit controls over expenditures should be substituted for pre-audits, and lump sum appropriations should

be adopted. Accountability is best achieved by allowing colleges and universities the kind of initiative which allows them to solve their own problems by voluntarily stabilizing or reducing enrollments and by reallocating resources internally. President Burke contends that rigid roles and regulations from state agencies can ensure only uniformity and mediocrity, not accountability. He suggests that too often they address the symptoms of a problem rather than helping to encourage institutional diagnosis and treatment.

Finally, state agencies responsible for higher education should encourage faculty development programs to supplement what many institutions are doing through private sources. By setting aside sums of money for retraining grants to be matched by institutions from other sources, we can remove the inconsistency of trying to save our students from "professional obsolescence" while we neglect our own faculties and staffs. Another idea from President Burke is the notion of permitting faculty of public institutions to pursue retraining programs without charge at any public university on a "space available" basis. (This plan would cost little and "empty seats" would be filled.)

In closing, I'm certain we can agree that one of the key challenges before you in the coming years is one of ensuring equity -- an even-handedness among the segments of higher education as all types of institution face uncertainty together. The policies and guidelines we fashion to guide future institutional responses to stress should not be perceived to favor one group of institutions at the expense of another. This is nothing new, for statewide coordinating agencies in particular, but never has there been a greater need for effective statewide coordinating and governing boards. The alternative to enlightened policies by state boards is very clear, and very frightening indeed. I happen to be one of many who know you are up to the task.